



Brunswick County Request for Proposal (RFP) To Provide Audit Services

Issue Date: January 27, 2023

Responses Due: February 17, 2023, by 5:00 pm ET

Contact information:

Name: Aaron Smith

Title: Director of Fiscal Operations

Address: Brunswick County

David R. Sandifer County Administration Building

30 Government Center Drive NE

Post Office Box 249

Bolivia, North Carolina 28422

Email: aaron.smith@brunswickcountync.gov

Request for Proposal

Brunswick County, North Carolina (hereinafter called the "County") is soliciting proposals from qualified independent auditors (hereinafter called "Auditor") having sufficient governmental accounting and auditing experience in performing an audit in accordance with the specifications outlined in this Request for Proposal (RFP).

There is no expressed or implied obligation for the County to reimburse firms for any expenses incurred in preparing proposals in response to this request.

The specific details shown herein shall be considered minimum unless otherwise shown. Any changes to the specific details or scope of work set forth herein will be made in the form of an addendum to this RFP and will be supplied to all known prospective firms and posted on the Brunswick County website. Notwithstanding the foregoing, audit firms will be solely responsible for ensuring that they have all addenda. The specifications, terms, and conditions included with this RFP shall govern in any resulting contract(s) unless approved otherwise in writing by the County. The County may negotiate and refine the final scope of work with the selected firm. The County reserves the right to negotiate additional services with the selected firm at any time after the initial contract award. All firms submitting a proposal consent to personal jurisdiction and venue in a state court of competent jurisdiction in Brunswick County, North Carolina or in the Federal District Court for the Eastern District of North Carolina, Wilmington Division.

Type of Audit

1. The audit will encompass a financial and compliance examination of the unit's Annual Comprehensive Financial Report (ACFR) in accordance with the laws and/or regulations of the State of North Carolina, which include requirements for the minimum scope of the audit. The financial and compliance audit will cover federal, state, and local funding sources in accordance with generally accepted auditing standards; Government Auditing Standards, issued by the Comptroller general of the United States; the provisions of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), the State Single Audit Implementation Act; and all other applicable laws and regulations.
2. The scope of the audit and all fee quotes presented should include all approved and known pronouncements through the date of proposal submission. This includes, but is not limited to, Governmental Accounting Standards Board (GASB) statements and Government Auditing Standards. Although some pronouncements will not be in effect until after the first year of the audit, estimates for future years should include pronouncements that will become effective during that contract period. The audit firm will be expected to advise appropriate County staff on the applicability of accounting and reporting standards as they become effective.
3. The financial audit opinion will cover the financial statements for the governmental activities, the business-type activities, each major fund, discretely presented component units, and the remaining fund information, which collectively constitutes the basic financial statements. The combining and individual financial statements, schedules, and

related information are not necessary for fair presentation, but will be presented as additional analytical data. This supplemental information, as required by GASB 34, will be subjected to the tests and other auditing procedures applied in the audit of the basic financial statements, and an opinion will be given as to whether the supplemental information is fairly stated in all material respects in relation to the basic financial statements taken as a whole. The Auditor shall express an opinion on the budgetary comparison information for the General Fund, annually budgeted major and special revenue funds. An opinion will not be given on the Management Discussion and Analysis.

The working papers shall be retained and made available upon request for no less than three (3) years from the date of the Audit report.

4. The audit will also include the following:
 - A. Pre-planning conference with County Finance staff where both the Auditor and Finance staff discuss their expectations of the audit.
 - B. Interim audit work prior to June 30th and/or prior to final close.
 - C. Attendance at the Board of Commissioners meeting in early November of each contract year for presentation of the financial statements by a Partner of the audit firm with comments and potential questions from the Board as requested.
5. The audit should encompass all funds and entity-wide activities as reported in the County's Annual Comprehensive Financial Report (ACFR) at June 30, 2022, and for each subsequent contract year, and any additional funds or entity-wide activities that may be added subsequent to that date.
6. If required, the audit firm will issue a management letter to the Board of Commissioners after completion of the audit and assist management in implementing recommendations, as is practical. County staff also request that an informal letter be addressed to the Finance Officer with any efficiency, internal control or accounting improvements that could be made based on the audit staff's observation during their fieldwork. All content must be discussed with the Finance Officer prior to issuance.
7. County staff may require the Auditor's guidance or input on the completion of certain schedules/documents as to proper format and content, so that they can be used in the audit process as well as inclusion in the County's financial statements. Guidance may be required for new note disclosures, all outstanding and effective authoritative standards and other reporting requirements at June 30 year-end. Cost for providing these services should be included in the Auditor's base fee quote and will not be considered extra for additional billings. In cases, however, where services requested would require a more in-depth scope and require work significantly above the original fee quote, such additional fees must be negotiated and mutually agreed upon by the parties in writing prior to commencement of work.

Auditor Requirements

The audit firm is considered to be an independent contractor and will be wholly responsible for the services and the supervision of its own employees and permitted sub-contractors. A planning meeting will be held each contract year to determine schedules that the County

will be responsible for preparing. Estimated timeframes will be established and interim audit work will be planned. Adequate notification will be given prior to any changes in estimated times.

The Brunswick County audit engagement must be conducted in accordance with Generally Accepted Auditing Standards (GAAS); Government Auditing Standards, issued by the Comptroller General of the United States; the U. S. Office of Management and Budget's (OMB) Uniform Guidance; the State Single Audit Implementation Act, and any other applicable procedures for the audit of a local government's financial statements prepared in accordance with Generally Accepted Accounting Principles (GAAP). By accepting this engagement, the Auditor warrants that they have met the requirements for a peer review and continuing education as specified in Government Auditing Standards. The Auditor must provide a copy of their most recent peer review report with their proposal.

The selected audit firm shall complete interim fieldwork in May or June of each contract year, unless otherwise directed or approved by the County in writing. Year-end fieldwork must be completed prior to Labor Day of each contract year. An agreed upon post-closing trial balance must exist by the completion of fieldwork. The Finance Officer will expect a listing of requested information needed for the audit at the preplanning conference, periodic conferences during the conduct of the audit, as well as an exit conference prior to the completion of fieldwork. While many documents can be shared electronically, the County expects that the audit firm staff will be onsite for fieldwork, including manager and partner level staff for at least a portion of the onsite work. The audit must be completed, reports rendered, and submitted to the LGC no later than four (4) months following the fiscal year end (by October 31). The Finance Officer shall provide the ACFR to the Board of Commissioners at the first board meeting of November in each contract year, or at such other meeting as the County may reasonably select.

The County will prepare all year-end adjusting journal entries. The County will prepare and publish the Annual Comprehensive Financial Report. The County will submit a draft of the Financial Statements to be reviewed in detail by the Auditor no later than September 30th of each contract year. This draft should be reviewed and returned to the County with proposed revisions within five (5) working days. The Finance Director will complete the review of the comments as expeditiously as possible. Once all issues for discussion are resolved and the Auditor provides opinions and compliance reports, the Finance Director will deliver the final electronic draft of the ACFR to the Auditor. The Auditor will complete and submit the necessary Single Audit information to the Federal Audit Clearinghouse on behalf of the County.

1. The County requires the Auditor to provide assistance to management's efforts to obtain the Government Finance Officers Association's Certificate of Achievement for Excellence in Financial Reporting.
2. The County prepares the Annual Financial Information Report required to be filed with the staff of the Local Government Commission. However, the Auditor may be requested to provide technical assistance.
3. The County prepares the Calculation of the Debt Service Coverage Ratio as required by certain revenue bond covenants. The bond covenants may also require the Auditor to express an opinion on the County's compliance with the debt service coverage ratio

and other debt covenants. However, the Auditor may be requested to provide technical assistance.

4. The County requires the Auditor to be available and provide technical assistance during each fiscal year of the contract term at no additional cost.
5. The County requires the Auditor to provide technical assistance, consultation, and review of the entire ACFR and Schedule of Expenditures of Federal and State Awards and to assist staff in implementation of any new technical requirements.

Electronic copies of each audit report, management letter, and other applicable reports must be supplied to the Finance Director within the time frame cited above.

The timing of the draft and review should insure final completion of the Financial Statements no later than the annual October 31st deadline.

The Auditor is responsible for completing the required data input sheet and electronically submitting the final Audit report/ACFR as a text-based .pdf file to the State & Local Government Financial Division when (or prior to) submitting the final invoice for audit services rendered to the Commission.

In the event that circumstances arise during the audit that require work to be performed in excess of the original estimates, any additional costs will be negotiated prior to commencement of the work and, if necessary, an amended contract will be presented to the governing board and forwarded to the staff of the LGC for approval.

A partner of the audit firm is required to present and attend the Board of Commissioners' meeting in which the Audit report is presented. Required communications to the Commissioners can be delivered at this point, as well as general comments regarding the audit process and the results of the audit. Finance staff will coordinate this presentation and determine the date and time of the meeting, typically held in early November of each contract year following the audit completion.

Audit Contract: Period & Payment of Audit Fees

The County intends to continue the relationship with the Auditor for no less than three (3) years starting with fiscal year ending June 30, 2023. The initial term of the contract, if awarded, shall be one (1) year. The initial term shall be followed by two (2) successive options to renew for one (1) year each. Each option to renew shall be exercised automatically unless either party gives timely notice of its intent not to renew pursuant to the terms of the awarded contract or unless the contract is terminated by the County in a subsequent fiscal year due to non-appropriation of funds. The years identified under this RFP are:

July 1, 2022 to June 30, 2023
July 1, 2023 to June 30, 2024
July 1, 2024 to June 30, 2025

The required current revision of the form "Contract to Audit Accounts" (form LGC-205) is required to be executed as the contract document; however, the Auditor and the County

may also execute an engagement letter and/or a County contract to include additional terms not addressed in the LGC-205. The entire audit contract package must be approved by the staff of the Local Government Commission. In addition to the foregoing, any audit firm submitting a proposal in response to this RFP must agree to enter into and be bound by the terms of an Addendum to form LGC-205 in substantially the form attached hereto and incorporated herein by reference. The Addendum is subject to approval by the Local Government Commission. To the extent any provision of this RFP conflicts with the provisions of Form LGC-205 or the Addendum thereto, the order of precedence shall be as follows:

1. Form LGC-205
2. Addendum
3. RFP

Invoices are subject to approval by the LGC prior to payment by the County. Interim or progress billings for services rendered marked approved by the LGC will be paid up to 75% of the total fee prior to submission of the final audited financial statements to the staff of the Local Government Commission. The final 25% of the Audit fees (final invoice) will be paid when the financial statements, single audit (if applicable), management letter and contract, as may be amended (if applicable), have been reviewed or approved by the LGC.

Description of Selection Process and Proposal Requirements

Submission of Questions Concerning RFP:

After the RFP issue date, all communications between the County and prospective Auditors regarding this RFP shall be in writing. Any inquiries, requests for interpretation, technical questions, clarification, or additional information shall be directed to the Director of Fiscal Operations by emailing aaron.smith@brunswickcountync.gov. All questions must be received no later than 5:00 pm ET on Friday, February 8, 2023. Questions and responses affecting the scope of the services will be provided to Auditors by issuance of an addendum to this RFP. Any addendum will be supplied to all known prospective firms and posted on the Brunswick County website at www.brunswickcountync.gov. Notwithstanding the foregoing, audit firms will be solely responsible for ensuring that they have all addenda.

Audit firms may not have communications, verbal or otherwise, concerning this RFP with any County personnel or officials, other than the persons listed in this section. A violation of this provision is grounds for the immediate disqualification of the audit firm.

Proposals must be submitted in two (2) sections and must be physically signed by an authorized representative of the audit firm. The first section will be comprised of the audit firm's prior experience and qualifications of its personnel in performing governmental audits. The second section will consist of completed cost requirements. County staff will evaluate the Auditor/firm on educational and technical qualifications, as well as other factors more particularly set forth below. The firm best meeting the County's expectations for experience, audit approach, and cost requirements will be selected.

Please keep in mind that cost, while an important factor, will not be a sole determining factor. Unusually low bids that are obviously out of line with other bidders or are significantly lower

than our current fees will raise concern. The lowest bid will not automatically be awarded preferential consideration.

The County reserves the right to reject any or all proposals, waive technicalities, and to be the sole judge of suitability of the services for its intended use and further specifically reserve the right to make the award in the best interest of the County. The County further reserves the right to cancel the work described herein prior to the issuance and acceptance of any contractual agreement, even if the Board of Commissioners has formally accepted the recommendation. The County also reserves the right to award a contract, based on initial proposals received, without discussion and without conducting further negotiations. The County may also, in its sole discretion, initiate further discussions with audit firms that it deems to fall within a competitive range. The County shall not be deemed to have finally selected an audit firm until a contract has been successfully executed by both parties. All decisions of the County shall be final and binding.

Failure to respond to any requirements outlined in the RFP, or failure to enclose copies of the required documents, may disqualify the proposal. Firms must be registered with the North Carolina State Board of CPA Examiners.

Section 1 - Profile of the Firm

The first section of proposals should address the requested information below. The corresponding responses should begin with the number below for the requested information.

1. Indicate the audit firm's North Carolina office location(s) that will handle the audit.
2. Indicate the number of people (by level) located within the audit firm's office that will handle the audit.
3. Provide a list of the office's current and prior government audit clients, indicating the type(s) of services performed and the number of years served for each.
4. Indicate the experience of the office in providing additional services to government clients by listing the name of each government, the type(s) of service performed, and the year(s) of engagement.
5. Describe your audit organization's participation in AICPA sponsored or comparable quality control programs (peer review). Provide a copy of the firm's current peer review.
6. Describe the professional experience in governmental audits of each senior and higher-level person assigned to the audit, the years on each job, and his/her position while on each audit. Indicate the percentages of time each senior and higher-level personnel will be on site.
7. Describe the relevant experience and education with the new GASBS reporting requirements, including, without limitation, seminars and courses attended within the past three (3) years. Courses in governmental accounting and auditing should be clearly communicated.

8. Describe the professional experience of assigned individuals in auditing relevant government organizations, programs, activities, or functions (e.g., utilities, solid waste, transit, airports, or health authorities and school systems).
9. Describe any specialized skills, training, or background in public finance of assigned individuals. This may include participation in State or national professional organizations, speaker or instructor roles in conferences or seminars, or authorship of articles and books.
10. Provide names, addresses, and telephone numbers of personnel of at least three (3) current and prior governmental audit clients who may be contracted for a reference.
11. Describe the firm's Statement of Policy and Procedures regarding Independence under Government Auditing Standards (Yellow Book), 2018 Revision. Provide a copy of the firm's Statement of Policy and Procedures.
12. The selected audit firm must procure and maintain in full force and effect during the term of the contract the applicable insurance coverage set forth in the Minimum Insurance Requirements attached hereto and incorporated herein by reference. Provide a current Certificate of Insurance as evidence of the required insurance.
13. Describe any regulatory action taken by any oversight body against the proposing audit organization or local office.
14. Comment on your knowledge of and relationship with the NC Local Government Commission and the University of North Carolina School Of Government in Chapel Hill.

Section 2 – Audit Approach

The second section of proposals should include completed cost estimate sheets and any other necessary cost information in a separate file marked – “Cost Estimate.” The County will evaluate the qualifications of all firms submitting proposals before considering the Cost Estimate.

1. Type of audit program used (tailor-made, standard government, or standard commercial).
2. Use of statistical sampling.
3. Use of automated processes and internal control testing methods
4. Use of computer audit specialists.
5. Organization of the audit team and the approximate percentage of time spent on the audit by each member.
6. Information that will be contained in the management letter.
7. Assistance expected from the government's staff, if other than outlined in the RFP.
8. Tentative schedule for completing the audit within the specified deadlines of the RFP.

9. Specify costs for each year of the contract term using the "Summary of Audit Costs Sheet" set forth below. Cost proposals must indicate the basis for the charges and must be a "not-to-exceed" all-inclusive amount for each entity.
- A. Audit firm personnel costs – Itemize the following for each category of personnel (partner, manager, senior, staff accountants, clerical, etc.) with the different rates per hour.
- 1) Estimated hours – Please categorize estimated hours into the following: on-site interim work, year-end on-site work, and work performed in the Auditor's office.
 - 2) Rate per hour.
 - 3) Total cost for each category of personnel and for all personnel costs in total.
- B. Travel – itemize transportation and other travel costs separately.
- C. Cost of supplies and materials – itemize.
- D. Other costs – completely identify and itemize.
- 1) If applicable, note your method of determining increases in audit costs on a year-to-year basis.
10. Please list any other information the firm may wish to provide.

Time Schedule for Awarding the Contract

RFP Release Date	<i>January 27, 2023</i>
Deadline for RFP Questions	<i>February 8, 2023 by 5:00 pm ET</i>
Questions to be Answered No Later Than	<i>February 10, 2023 by 5:00 pm ET</i>
Deadline for Receipt of Proposals *	<i>February 17, 2023 by 5:00 pm ET</i> Brunswick County Finance Department Attn: Aaron Smith, Director of Fiscal Operations Post Office Box 249 (if by mail) 30 Government Center Drive NE (if by hand delivery) Bolivia, North Carolina 28422
Notice of Recommended Firm	<i>February 22, 2023</i>
Board of Commissioners Approval	<i>March 20, 2023</i>

* For consideration, proposals must either be submitted electronically as a .pdf to aaron.smith@brunswickcountync.gov or on a USB drive. All proposals must be **received** by the County by February 17, 2023, at 5:00 pm ET.

- Please note you should include two (2) separate .pdf attachments for Sections 1 and 2.
- USB drive should be delivered to: Aaron Smith, Director of Fiscal Operations, at the David R. Sandifer County Administration Building, 30 Government Center Drive NE, Post Office Box 249, Bolivia, North Carolina 28422

Brunswick County will not be responsible for the failure of any mail or delivery service to deliver a proposal prior to the stated date and time. Regardless of the manner of submission, any proposal received after the stated date and time will not be considered. Incomplete proposals or proposals inconsistent with the required format may be disqualified from consideration.

Brunswick County reserves the right to request additional information deemed necessary to aid in the selection process.

The evaluation and selection criteria and process contained in this RFP will be used by the County to evaluate the proposals. The Director of Fiscal Operations plans to report the evaluation outcome to the Board of Commissioners and seek the County Board of Commissioner's concurrence and authorization to award the contract to the selected auditing firm at the March 20, 2023, Commissioners meeting. The County will enter into a contract with the auditing firm that is approved by the County Board of Commissioners.

Description of the Governmental Entity and Its Accounting System

Reference should be made to the most recent ACFR/Audit report for a general overview of the County. A .pdf copy of the most recent ACFR/Audit report is available on the County's website at <https://www.brunswickcountync.gov/finance/reports/>, or by emailing aaron.smith@brunswickcountync.gov.

The following organizations will be discretely presented component units in the ACFR:

- Brunswick County Board of Alcoholic Control (Auditor will be engaged separately, do not include in proposal)
- Brunswick County Airport Commission (separate opinion and report to be prepared by Auditor, include as a separately stated fee in proposal)

4015 Airport Road
Oak Island, NC 28465
Mr. Howie Franklin
910-457-6483

- Brunswick County Tourism Development Authority (separate opinion and report to be prepared by Auditor, include as a separately stated fee in proposal)

P.O. Box 1186
Shallotte, NC 28459
Ms. Mitzi York
910-755-5517

The County and the component units reserve the right to accept or decline one or more component unit audits.

Funds

Brunswick County maintains the following funds:

Governmental Funds

- General Fund

Special Revenue Funds

- Emergency Telephone System Fund

- Grant Project Fund

- Register of Deeds Technology Enhancement Fund

- American Rescue Plan Act Fund

- National Opioid Settlement Fund

Capital Projects Funds:

- Education Capital Projects Fund

- County Capital Reserve Fund

Enterprise Funds

- Water Fund

- Water Capital Projects Fund

- Wastewater Fund

- Wastewater Capital Projects Fund

Custodial Funds

- Municipal Collections Fund

- Smithville Township Collections Fund

- Inmate Fund

Grants, Entitlements, and Shared Revenues

A copy of the Schedule of Federal and State Expenditures and a Summary of Auditor's Results showing the major programs for the year ended June 30, 2022, can be found in the ACFR located on the County's website.

Budgets

The County budgets all funds on the modified accrual basis of accounting as required by North Carolina law. Appropriations are made, and the budget is adopted at the departmental level. The County also maintains an encumbrance system. Both the budgetary and encumbrance systems are integrated with the accounting system to provide easy comparison with actual expenditures.

Accounting Records

The County maintains all accounting records at the finance office located at the David R. Sandifer County Administration Building, 30 Government Center Drive NE, Bolivia, North Carolina 28422. All accounting journals and subsidiary ledgers are maintained on a cloud-based ERP system. The software is Finance Enterprise (formerly ONESolution) by CentralSquare.

Assistance Available to Auditor

The County will designate an individual that understands the services to be provided in accordance with GAGAS §3.73 (GAGAS 2018 Revision).

The County will make available to the Auditor sufficient help to pull and re-file records and prepare necessary confirmations. Most of the County's financial records, schedules, and work papers are provided electronically but originals are available. The County's ACFR is prepared using CCH ProSystem fx Workpaper Manager software through the upload of a trial balance from the general ledger. An interim trial balance with budgeted amounts will be made available by the end of May of each contract year or prior to the scheduled interim audit. A financial field work trial balance with budgeted amounts will be made available electronically by mid-August of each contract year. The following accounting procedures will be completed and documents prepared by the County's staff no later than August 25 of each contract year. The County is aware of and understands the need to provide this assistance to the Auditor and will make every attempt to meet these deadlines. In recent years, field work has occurred the week prior to Labor Day and no audit proposed adjusting entries have occurred.

- The books of account will be fully balanced.
- All subsidiary ledgers will be reconciled to control accounts.
- All bank account reconciliations for each month will be completed.

The County's personnel will prepare the following items:

General

1. Working Balance Sheet for each fund.
2. Working Statement of Revenues, Expenditures, and Transfers for each fund.
3. Working Statement of Cash Flows where required.
4. General Ledger transaction detail report for each account.
5. A copy of the original budget, all amendments, and the final budget as of June 30, 2023, are available.
6. A copy of all project ordinances and all amendments for active projects during the audit period are available.
7. A copy of board policies, including travel and investment policies, debt policies, fund balance policies and purchasing policies including how the pre-audit process is performed.
8. Copies of all Board meeting minutes are available.
9. Copies of all correspondence with the staff of the Local Government Commission, including semiannual Cash and Investment Reports (LGC-203), County letters, letters

regarding the audited financial statements and compliance reports for the previous year.

10. Required supplementary information, e.g., actuarial information for the Law Enforcement Officers' Separation Allowance, Detention Officers' Separation Allowance, and Other Postemployment Benefits (OPEB).

Cash and Investments

1. All bank reconciliations for each month, signed and dated by both a preparer and a knowledgeable reviewer.
2. List of outstanding checks by account, showing check number, date, and amount.
3. Schedule of all investments for all funds at the audit date, showing book value and estimated market value at fiscal year-end.

Receivables

1. Listing of unpaid tax bills in detail totaled by year as of fiscal year end.
2. Listing of outstanding receivables by account as of the fiscal year end.
3. Listing of outstanding receivables in detail as of the fiscal year end.
4. Schedule of miscellaneous receivables booked as of the fiscal year end.

Capital Assets

1. Listing of fixed assets by function and activity with supporting schedule of changes in fixed assets and supporting detail of additions, retirements, and transfers.
2. All capital asset acquisitions made during the audit year and CIP placed in service.
3. All capital asset dispositions made during the audit year.
4. Depreciation expense posted for the audit year.

Current Liabilities

1. Schedule of accounts payable.
2. Schedule of accrued payroll.
3. Schedule of calculation of health insurance and workman's compensation liabilities.
4. Schedule of retainage payable.

Long-Term Liabilities

1. Computation of vested vacation payable as of the audit date.
2. Debt Schedule for each debt issue and related payments.
3. Lease and subscription-based IT agreements schedules and related payments.

Grants

The following will be compiled for each grant:

1. Grant agreement.
2. Grant Budget.
3. Schedule of Expenditures of Federal and State Awards.
4. Correspondence with the grantor agency, including monitoring reports.
5. Federal Assistance Listing # and/or pass-through grant #.
6. Summary Schedule of Prior Audit findings (if applicable).
7. Corrective action plan for each audit finding that will be presented on the Schedule of Findings and Question Costs on County letterhead (if necessary).

Conversion

1. Entries to convert from fund to government-wide statements.
2. Working Statement of Net Position.
3. Working Statement of Activities.
4. Allocation of depreciation among functional areas.
5. Computation of additions and retirements of compensated absences.
6. Reconciliation of fund and government-wide statements.
7. Worksheet for determination of major funds.
8. Worksheet of combining statements for non-major funds.

The County collects taxes for several municipalities. The County collects fire fees throughout the County. The County performs fiscal or accounting functions for occupancy tax collections for the TDA, grant fiscal agenda for Airport Capital Projects, and debt payments

for Smithville Township. The County has multiple capital improvement projects annually for water and wastewater projects.

The following financial applications are on the computer system:

General Ledger
Accounts Payable
Project Accounting
Payroll
Capital Assets
Cash Receipts
Accounts Receivable
Taxes Receivable

ADDENDUM TO CONTRACT TO AUDIT ACCOUNTS (FORM LGC-205)

[DRAFT – SUBJECT TO LGC APPROVAL]

This **ADDENDUM TO CONTRACT TO AUDIT ACCOUNTS** (the "Addendum") is made and entered into by and between **BRUNSWICK COUNTY**, a body politic and corporate of the State of North Carolina (the "Governmental Unit"), and **[NAME OF AUDIT FIRM]**, [a professional corporation organized and existing pursuant to the laws of the State of North Carolina] (the "Auditor"). This Addendum forms an integral part of the Contract to Audit Accounts (Form LGC-205), entered into between the parties of even date herewith and to which it is attached.

WHEREAS, the Governmental Unit and Auditor entered into a Contract to Audit Accounts (Form LGC-205) (the "Contract") effective [EFFECTIVE DATE]; and

WHEREAS, the parties wish to amend the Contract to include the provisions set forth herein.

NOW THEREFORE, the Governmental Unit and Auditor do mutually agree to add the following provisions to the Contract:

1. TERMINATION FOR CAUSE

Notwithstanding anything to the contrary contained in the Contract, including, without limitation, Section 23, the Governmental Unit may terminate the Contract for cause by giving written notice of a breach of the Contract. The Auditor shall have fifteen (15) days to cure the breach following receipt of the notification. Failure to cure the breach within the fifteen (15) days shall result in the immediate termination of the Contract. Notwithstanding the foregoing, the Governmental Unit may terminate the Contract immediately if the Auditor: (i) has any government sanctions instituted against it; (ii) becomes insolvent; (iii) makes or has made an assignment for the benefit of creditors; (iv) is the subject of proceedings in voluntary or involuntary bankruptcy instituted on behalf of or against it; (v) has a receiver or trustee appointed for substantially all of its property; or (vi) allows any final judgment to stand against it unsatisfied for a period of forty-eight (48) hours.

2. NON-APPROPRIATION

If the Board of County Commissioners of the Governmental Unit does not appropriate the funding needed by the Governmental Unit to make payments under the Contract for a given fiscal year, the Governmental Unit will not be obligated to pay amounts due beyond the end of the last fiscal year for which funds were appropriated. In such event, the Governmental Unit will promptly notify the Auditor of the non-appropriation, and the Contract will be terminated at the end of the last fiscal year for which funds were appropriated. No act or omission by the Governmental Unit which is attributable to non-appropriation of funds shall constitute a breach of or default under the Contract.

3. SUSPENSION AND DEBARMENT

(A) To the extent the Contract is considered a covered transaction for purposes of 2 C.F.R. pt. 180 and 2 C.F.R. pt. 3000, the Auditor is required to verify that none of its principals (defined at 2 C.F.R. § 180.995) or its affiliates (defined at 2 C.F.R. § 180.905) are excluded (defined at 2 C.F.R. § 180.940) or disqualified (defined at 2 C.F.R. § 180.935).

(B) The Auditor must comply with 2 C.F.R. pt. 180, subpart C and 2 C.F.R. pt. 3000, subpart C and must include a requirement to comply with these regulations in any lower tier covered transaction it enters into.

(C) This certification is a material representation of fact relied upon by the Governmental Unit. If it is later determined that the Auditor did not comply with 2 C.F.R. pt. 180, subpart C and 2 C.F.R. pt. 3000, subpart C, in addition to remedies available to the federal government and the Governmental Unit, the federal government and the Governmental Unit may pursue available remedies, including but not limited to suspension and/or debarment.

(D) The Auditor agrees to comply with the requirements of 2 C.F.R. pt. 180, subpart C and 2 C.F.R. pt. 3000, subpart C throughout the period of any contract that may arise. The Auditor further agrees to include a provision requiring such compliance in its lower tier covered transactions.

IN WITNESS WHEREOF, each party hereto has caused this Addendum to be executed in its name by its duly authorized representatives.

ATTEST:

BRUNSWICK COUNTY

Clerk to the Board

By: _____
Chairman, Board of Commissioners

[SEAL]

APPROVED AS TO FORM

Robert V. Shaver, Jr., County Attorney /
Bryan W. Batton, Asst. County Attorney
Brunswick County, NC

[AUDITOR]

By: _____

Printed Name: _____

Title: _____

Date: _____



BRUNSWICK COUNTY MINIMUM INSURANCE COVERAGE REQUIREMENTS

At contractor's expense, contractor shall procure and maintain the following recommended lines of insurance according to the scope of work. The County may choose to elect higher or lower coverages according to the work performed. Contractors must be insured by a licensed agent in North Carolina and rated A-VII or better by A.M. Best.

A. COMMERCIAL GENERAL LIABILITY

Covering all operations involved in this Agreement.

\$2,000,000 General Aggregate
\$2,000,000 Products/Completed Operations Aggregate
\$1,000,000 Each Occurrence
\$1,000,000 Personal and Advertising Injury Limit
\$ 5,000 Medical Expense Limit

B. WORKERS' COMPENSATION

Statutory limits covering all employees, including Employer's Liability with limits of:

\$500,000 Each Accident
\$500,000 Disease - Each Employee
\$500,000 Disease - Policy Limit

C. COMMERCIAL AUTOMOBILE LIABILITY

\$1,000,000 Combined Single Limit – Any Auto

D. PROFESSIONAL LIABILITY

\$1,000,000 Per Occurrence

E. POLLUTION LIABILITY INSURANCE

\$1,000,000 Per Occurrence

When a contractor is required to bind pollution/environmental coverage, the contractor must provide evidence of continuation or renewal of liability insurance for a period of three (3) years following termination of the agreement.

ADDITIONAL INSURANCE AND INDEMNIFICATION REQUIREMENTS

- A. Contractor agrees to defend, indemnify, and hold harmless Brunswick County, its officers, employees, and agents from and against any and all losses, penalties, damages, settlements, costs, charges, professional fees, or other expenses or liabilities of every kind and character arising out of or relating to any and all claims, liens, demands, obligations, actions, proceedings, or causes of action of every kind in connection with or arising out of this Agreement and/or the performance hereof that are due in part or in the entirety of Contractor, its employees or agents. Contractor further agrees to investigate, handle, respond to, defend and dispose of same at its sole expense and agrees to bear all other costs and expenses related thereto.

The Contractor's General Liability policy shall be endorsed, specifically or generally, to include the following as Additional Insured:

BRUNSWICK COUNTY, ITS OFFICERS, AGENTS AND EMPLOYEES ARE INCLUDED AS
ADDITIONAL INSURED UNDER CONTRACTOR'S GENERAL LIABILITY INSURANCE.

- B. Before commencement of any work or event, Contractor shall provide a Certificate of Insurance in satisfactory form as evidence of the insurances required above.
- C. Contractor shall have no right of recovery or subrogation against Brunswick County (including its officers, agents and employees), it being the intention of the parties that the insurance policies so affected shall protect both parties and be primary coverage for any and all losses covered by the above-described insurance.
- D. Brunswick County shall have no liability with respect to Contractor's personal property whether insured or not insured. Any deductible or self-insured retention is the sole responsibility of Contractor.
- E. All certificates of insurance must provide that the policy or policies shall not be changed or cancelled without at least thirty (30) days prior written notice.
- F. The Certificate of Insurance should note in the Description of Operations the following:
Department: _____
Contract #: _____
- G. Insurance procured by Contractor shall not reduce nor limit Contractor's contractual obligation to indemnify, hold harmless and defend Brunswick County for claims made or suits brought which result from or are in connection with the performance of this Agreement.
- H. In the event Contractor receives Notice of Cancellation of Insurance required pursuant to this Agreement, Contractor shall immediately cease performance of all services and shall provide Notice to Brunswick County's Legal/Risk Management personnel within twenty-four (24) hours.
- I. Certificate Holder_ shall be listed as follows;
ATTENTION: Brunswick County Risk Manager
30 Government Center Dr. NE
P.O. Box 249
Bolivia, NC 28422
- J. If Contractor is authorized to assign or subcontract any of its rights or duties hereunder and in fact does so, Contractor shall ensure that the assignee or subcontractor satisfies all requirements of this Agreement, including, but not limited to, maintenance of the required insurances coverage and provision of certificate(s) of insurance and additional insured endorsement(s), in proper form prior to commencement of services.

SUMMARY OF AUDIT COSTS SHEET

1. Total Audit Fee **Brunswick County**, not to exceed

A. FY23

- i. Audit Fee \$ _____
- ii. Other (Please Explain:) \$ _____

B. FY24

- i. Audit Fee \$ _____
- ii. Other (Please Explain:) \$ _____

C. FY25

- i. Audit Fee \$ _____
- ii. Other (Please Explain:) \$ _____

2. Total Audit Fee **Brunswick County Airport Commission**, not to exceed

A. FY23

- i. Audit Fee \$ _____
- ii. Other (Please Explain:) \$ _____

B. FY24

- i. Audit Fee \$ _____
- ii. Other (Please Explain:) \$ _____

C. FY25

- i. Audit Fee \$ _____
- ii. Other (Please Explain:) \$ _____

3. Total Audit Fee **Brunswick County Tourism Development Authority**, not to exceed

A. FY23

- i. Audit Fee \$ _____
- ii. Other (Please Explain:) \$ _____

B. FY24

- i. Audit Fee \$ _____
- ii. Other (Please Explain:) \$ _____

C. FY25

- i. Audit Fee \$ _____
- ii. Other (Please Explain:) \$ _____

FIRM:	Primary Contact:
Address:	Telephone:
	Fax:
	E-mail:
	Date:

PROPOSAL CERTIFICATION

The audit firm submitting this proposal certifies that it has carefully examined this RFP and all attachments hereto, that it understands and accepts all terms and conditions and the scope of work, and that it has the knowledge and expertise to complete the project. By submitting a proposal, the audit firm further certifies that its proposal is fair in all respects and without collusion or fraud.

The undersigned further certifies that he/she has the authority to sign this proposal on behalf of the audit firm.

Proposers Signature _____ **Date** _____

BY (Printed): _____

TITLE: _____

COMPANY: _____

ADDRESS: _____

TELEPHONE: _____

EMAIL: _____